



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-5244/1  
CMH:kjf

## 2017 ASSEMBLY BILL 842

1     **AN ACT** *to repeal* 40.23 (1) (c); and *to amend* 40.05 (5) (a), 40.22 (2) (am), 40.22  
2           (2r) (intro.), 40.23 (1) (am) 2., 40.23 (1) (d) and 40.70 (8) of the statutes; **relating**  
3           **to:** various changes to the Wisconsin Retirement System, cancelling coverage  
4           under the Wisconsin Public Employers Group Life Insurance Program, and  
5           income continuation insurance premiums for certain teachers employed by the  
6           University of Wisconsin System (suggested as remedial legislation by the  
7           Department of Employee Trust Funds).

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*Analysis by the Legislative Reference Bureau*

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Employee Trust Funds and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

**ASSEMBLY BILL 842****SECTION 1**

1           **SECTION 1.** 40.05 (5) (a) of the statutes is amended to read:

2           40.05 (5) (a) For teachers employed by the board of regents of the university,  
3 no contribution if the teacher has less than one year of state creditable service and  
4 an amount equal to the gross premium for coverage subject to a ~~130-day~~ 180-day  
5 waiting period if the teacher has one year or more of state creditable service.

NOTE: This SECTION changes the waiting period from 130 days to 180 days before the Board of Regents pays the gross premium for income continuation insurance coverage for teachers it employs who have more than one year of state service.

6           **SECTION 2.** 40.22 (2) (am) of the statutes is amended to read:

7           40.22 (2) (am) Except as provided in sub. (2r), the employee was initially  
8 employed by not a participating employer ~~on or after employee before~~ employee before July 1, 2011,  
9 and is not expected to work at least two-thirds of what is considered full-time  
10 employment by the department, as determined by rule.

11           **SECTION 3.** 40.22 (2r) (intro.) of the statutes is amended to read:

12           40.22 (2r) (intro.) An employee who was ~~initially employed by~~ not a  
13 participating employer ~~on or after employee before~~ employee before July 1, 2011, who is not expected  
14 to work at least two-thirds of what is considered full-time employment by the  
15 department, as determined by rule, and who is not otherwise excluded under sub. (2)  
16 from becoming a participating employee shall become a participating employee if he  
17 or she is subsequently employed by the state agency or other participating employer  
18 for either of the following periods:

NOTE: SECTIONS 2 and 3 clarify that, with certain exceptions, an employee may not participate in the Wisconsin Retirement System (WRS) if he or she was not a participating employee in the WRS before July 1, 2011, and is not expected to work at least two-thirds of what is considered full-time employment.

19           **SECTION 4.** 40.23 (1) (am) 2. of the statutes is amended to read:

20           40.23 (1) (am) 2. Any participant who has attained age 55 and who is a  
21 participant because of employment other than part-time service as an elected official

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1 and who is also a participating employee because of part-time service as an elected  
2 official and any protective occupation participant who has attained age 50 and who  
3 is also a participating employee because of part-time service as an elected official  
4 may, after termination of all covered employment other than service as a part-time  
5 elected official, waive further participation under the fund for his or her current, and  
6 any future, part-time service as an elected official. Any election under this  
7 paragraph is irrevocable and is effective beginning the day after the date of election.  
8 Notwithstanding par. (a), any participant who elects under this paragraph may  
9 receive a retirement annuity for all service under the fund credited to the participant  
10 to the date he or she elects. The date a participant elects under this paragraph is  
11 deemed to be the date of separation from the last participating employer by which  
12 that participant was employed.

NOTE: Under current law, the minimum retirement age for a Wisconsin Retirement System participant is 55 years of age, except that the minimum retirement age for a protective occupation participant is 50 years of age. Current law allows a WRS participant who is at least 55 years old to receive a retirement benefit while serving as a part-time elected official. This Section allows a protective occupation participant who is at least 50 years old to receive a retirement benefit while serving as a part-time elected official.

13 **SECTION 5.** 40.23 (1) (c) of the statutes is repealed.

14 **SECTION 6.** 40.23 (1) (d) of the statutes is amended to read:

15 40.23 (1) (d) ~~Notwithstanding par. (e), an~~ An application for an annuity to be  
16 effective on the day following termination of employment may be filed prior to the  
17 employee's anticipated termination date. The participant shall state the anticipated  
18 termination date ~~shall be stated~~ in the application and the department shall not  
19 make an annuity payment until the employee has terminated.

NOTE: SECTIONS 5 and 6 eliminate the general prohibition against the Department of Employee Trust Funds accepting an application for a retirement annuity that specifies an effective date more than 60 days after the application is received by the department.

20 **SECTION 7.** 40.70 (8) of the statutes is amended to read:

